



March 24, 1937.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
North Central Division
Washington, D. C.

JUN 7 1937

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Instructions for Execution of Bonds and Riders to Bonds
of Treasurers of County Agricultural Conservation
Associations and Auditing of Records and
Accounts of Retiring Treasurers.

Part I. Where 1936 Treasurer is Re-elected for 1937

- A. Where penal amount of bond is not to be increased:--Bonds executed in 1936 for treasurers of county agricultural conservation associations are continuous in form and no notice of continuation is required either from the association or the surety company. Therefore, where the 1936 treasurer was re-elected in 1937 and the penal amount of such bond is not to be increased, the original bond will be continued in full force and effect, provided, payment of the annual premium has been made.
- B. Where penal amount of bond is to be increased:--If it is necessary to increase the amount of the bond, Rider 1 to Form ACP-15 shall be executed by the treasurer and the president of the association and by the surety company with whom the original bond was executed.
1. Preparation of Rider 1.
- a. Prepare in quadruplicate (original and three copies).
 - b. Enter in the first line in the blank space following the word "of" the name of the association.
 - c. Enter in the second line in the blank space following the words "Surety Co." the name of the surety company.
 - d. Enter in the third line in the blank space following the word "Principal" the name of the treasurer of the association. The name should be typed in the same style as it appears on the bond.
 - e. Enter in the same line in the blank space following the dollar mark (\$), the amount of the related bond.
 - f. Enter in the fourth line in the blank space following the word "Obligee", the name of the association.

- g. Enter in the sixth line in the blank space following the words "as of", the date on which the increased coverage is to become effective.
- h. Enter in the next line in the blank spaces following the dollar marks (\$), the original penal amount of the bond and the increased penal amount of the bond, respectively. (The amount of any increase shall be in multiples of \$500.00.)
- i. The treasurer of the association shall affix his signature in the space provided for the signature of the principal, and the agent of the surety company and the president of the association shall sign in the spaces provided for their signatures. (The treasurer shall affix his signature in the same style in which his name is typed in the body of Rider 1 which shall be the same as on the related bond.)
- j. The signature of the principal (the treasurer) must be witnessed by two parties and the corporate seal of the surety company must be affixed in the space provided therefor.
- k. Enter on the line beneath the signature of the president of the association, in the blank space provided therefor, the name of the county in which the association is located.
- l. Enter on the next line in the blank space provided therefor, the date the rider is executed.
- m. Enter on the next two lines in the blank spaces following the dollar mark (\$), the rate of the premium per thousand and the total amount of the premium, respectively.

2. Distribution of Rider 1.

Distribute Rider 1 to ACP-15 as follows:

- a. Original and one copy to State office.
 - b. One copy to surety agent.
 - c. One copy to county files.
 - d. State office will retain one copy and forward the original to the Director of the North Central Division of the Agricultural Adjustment Administration.
3. Examination of Rider 1 in the State office.--Upon receipt of Rider 1 in duplicate, the State office will examine such form

and determine that the form was prepared in accordance with the procedure set forth herein and will also determine that no changes, alterations, or erasures of any kind were made on the rider. If any such changes, alterations, or erasures appear, the State office will return the rider to the county office for re-execution.

- C. Where penal amount of bond is to be decreased.--A decrease in the penal amount of a bond may be accomplished by the termination of the liability under the existing bond and the execution of a new bond for a smaller amount. Such new bond shall be executed as provided in Part II hereof. The penal amount of a bond shall not be decreased except on its anniversary date.

Part II. New Treasurer Elected for 1937

- A. Form ACP-15.--Each newly elected treasurer shall execute with an approved surety company on Form ACP-15 a bond in a penal amount which shall not be less than the minimum amount prescribed for the association by the North Central Division. It is advisable that the bond be executed with an agent of a surety company who has on file with the Treasury Department in Washington, D. C., an authorization to execute such bond. Where such authorization is not on file, it will be necessary for the Washington Office to procure the ratification of the surety company before the bond may be approved.

1. Preparation of Form.

- a. Prepare ACP-15 in quadruplicate (original and three copies).
- b. Enter in the upper right-hand corner in the blank spaces following the words "county" and "State", the name of the county and State in which the association is located. If the association covers more than one county, all counties included in the association shall be listed in alphabetical order.
- c. Enter in the first line in the blank space following the word "We", the name of the treasurer of the association. The name of the treasurer should consist of the Christian name, the middle initial, if any, and the surname. If the treasurer has no middle name, that fact should be stated in a memorandum transmitted with the bond.
- d. Enter in the second line in the blank space following the word "of" the name of the State in which the association is located.
- e. Enter on the same line in the blank space following the word "and", the name of the surety company.
- f. Enter in the fourth line in the blank space following

the word "of", the name of the association.

- g. Enter in the fifth line in the blank space following the word "of", the name of the State in which the association is located.
- h. Enter in the seventh line, the penal amount of the bond (in words).
- i. Enter in the eighth line in the space following the dollar mark (\$), the penal amount of the bond (in figures).
- j. Enter in the space provided therefor in the second paragraph the date the bond was executed.
- k. The treasurer of the association shall sign in the space provided for the signature of the principal, and the agent of the surety company and the president of the association shall affix their signatures in the spaces provided therefor. (The treasurer shall affix his signature in the same style in which his name appears in the body of the form.)
- l. The signature of the principal (the treasurer) must be witnessed by two parties and the corporate seal of the surety company must be affixed in the space provided therefor.
- m. Enter on the line beneath the signature of the president of the association in the blank space provided therefor, the name of the county in which the association is located.
- n. Enter on the next line in the blank space provided therefor, the date the bond is executed.
- o. Enter on the next two lines in the blank spaces following the dollar mark (\$), the rate of the premium per thousand and the total amount of the premium, respectively.

2. Distribution of Form.

Distribute Form ACP-15 as follows:

- a. Original and one copy to State office.
- b. One copy to surety agent.
- c. One copy to county files.
- d. State office shall retain one copy and forward the original to the Director of the North Central Division of the Agricultural Adjustment Administration.

3. Examination of ACP-15 in the State office.--Upon receipt of

Form ACP-15 in duplicate, the State office will examine such form and determine that the form was prepared in accordance with the procedure set forth herein and will also determine that no changes, alterations, or erasures of any kind were made on the bond. If any such changes, alterations, or erasures appear, the State office will return the form to the county office for re-execution.

B. Audit of Records and Accounts of Retiring Treasurer.

1. Purpose of Audit--Before the records of the retiring treasurer are transferred to the new treasurer, the records and accounts of the retiring treasurer shall be audited by an auditing committee composed of the president and secretary of the county agricultural conservation association, and one other regular member of the county committee. The purpose of such audit will be to make certain that all funds received by the retiring treasurer since July 1, 1936, have been properly accounted for by duly authorized expenditures. The audit shall be made in connection with Forms 1024, 1024a, 1025, ACP-8, ACP-9, ACP-10, and ACP-11 submitted by the county since July 1, 1936.
2. Report of Audit - NCR Form Letter No. 2.
 - a. Purpose of Form.--This form provides a standard method of auditing the records and accounts of the retiring treasurer and presents a uniform statement as to the condition of the treasurer's accounts.
 - b. Preparation of Form.
 - (1) Prepare NCR Form Letter No. 2 in triplicate (original and two copies).
 - (2) Enter in the spaces provided therefor in the first paragraph the --
 - (a) Name of the new treasurer.
 - (b) Name of county in which the association is located.
 - (c) Name of retiring treasurer.
 - (d) Penal amount of bond for new treasurer.
 - (e) Date of audit.
 - (3) Enter in item 1a, the total amount of all treasury checks received by the treasurer since July 1, 1936.
 - (4) Enter in item 1b, the total amount of all collections made by the treasurer.
 - (5) Enter in item 1c, the sum of the entries in item 1a. and

item 1b.

- (6) Enter in item 2, the total amount of all expenditures made by the treasurer since July 1, 1936. This amount shall be the total of all amounts shown on copies of forms 1025 and ACP-11.
- (7) Item 3 shall be obtained by subtracting item 2 from item 1.
- (8) Enter in item 4 the amount of the obligations of the association for which checks have not been drawn.
- (9) Item 5 shall be obtained by subtracting item 4 from item 3.
- (10) Enter in item 6a the total amount of all checks, for expenses incurred, issued since July 1, 1936, which have been canceled and returned to the treasurer.
- (11) Enter in item 6b, the total amount of all checks which have been issued but which have not yet been canceled by the bank and returned to the treasurer.
- (12) Enter in item 6c the sum of the entries in item 6a and item 6b.
- (13) Enter in item 7 the balance in the bank on the day the audit is made.

c. Verification of Form.

- (1) Determine that the amount of each check issued by the treasurer of the association corresponds with the amount receipted for by the payee on Forms 1025 or ACP-11 and also that such amount was previously approved on Forms 1024, 1024a, ACP-9, or ACP-10. All items which do not correspond shall be entered in the space provided for remarks.
- (2) Determine that the amount of the unpaid obligations entered in item 4 is equal to the difference between the total amount certified on Forms 1024, 1024a, ACP-9, and ACP-10 and the amount for which receipts were obtained as shown by Forms 1025 and ACP-11, less the amount (if any) of the excess of the amount certified on the last set of Forms ACP-9 and ACP-10 over actual expenditures for the period covered thereby.
- (3) Determine that item 6c is equal to item 2. If there is a difference, explain such difference in the space provided for remarks.

- (4) Determine that the bank balance is equal to item 1c less the sum of all canceled checks, less the sum of all checks issued and outstanding which have been debited by the bank, but not canceled and returned to the treasurer. Explain all irregularities in the space provided for remarks.
- (5) Determine that the bank balance has been transferred to the new treasurer, provided a bond has been executed by such treasurer and an approved surety.

d. Certification.

- (1) If the books and records of the retiring treasurer have been found free from all irregularities, insert the word "are" in the last paragraph of NCR Form Letter No. 2.
- (2) If the books and records of the retiring treasurer are not free from irregularities, insert the words "are not" in the last paragraph of NCR Form Letter No. 2 and enter in the space provided for remarks a complete description of all irregularities, indicating each item which was found to be irregular. If additional space is necessary, use a separate sheet of paper and staple such sheet to the form letter.
- (3) The members of the auditing committee shall sign in the space provided for their signatures.

e. Distribution of Form.--Distribute NCR Form Letter No. 2 as follows:

- (1) Original and one copy to the State office.
- (2) Retain one copy for the county files.
- (3) The State office will retain the copy and forward the original to the Director of the North Central Division of the Agricultural Adjustment Administration.

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